

1 *Senate* BILL NO. 336
 2 INTRODUCED BY Turrage Hall
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR
 5 AGGREGATING SERVICE TIME SEPARATED BY BREAKS FOR POLICE
 6 RETIREMENT CREDIT; PROVIDING FOR REINSTATING POLICE
 7 RETIREMENT CREDIT FOR ACTIVE SERVICE BY A REDEPOSIT OF
 8 CONTRIBUTIONS; AND PROVIDING FOR QUALIFICATION OF MILITARY
 9 SERVICE FOR RETIREMENT PURPOSES."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Breaks in service as a police officer —
 13 withdrawal of contributions. (1) If, within a 12-month
 14 period, there is a break in a person's employment as a
 15 police officer not exceeding 6 months, he may withdraw
 16 moneys he has contributed to the retirement fund. If he
 17 elects not to withdraw contributed moneys, the active police
 18 duty preceding the break in employment shall remain credited
 19 toward his retirement.

20 (2) If there is a break in a person's employment as a
 21 police officer exceeding 6 months, the moneys he has
 22 contributed shall be returned to him.

23 Section 2. Reinstatement of service — redeposit of
 24 contributions. (1) If a person withdraws moneys contributed
 25 to the retirement fund, either because he exercised the

1 option to do so under subsection (1) of [section 1] or
 2 because he had a break in service exceeding 6 months, he
 3 may, within 2 years after his return to his former status as
 4 a police officer, reinstate credit for service preceding the
 5 break for retirement purposes by complying with subsection
 6 (2). He may only reinstate credit for whole years of service
 7 as an active police officer for which contributions were
 8 initially made to the retirement fund and were later
 9 refunded under [section 1].

10 (2) In order to reinstate credit for service under
 11 subsection (1), a police officer must pay to the credit of
 12 the retirement fund an amount computed by the department of
 13 administration or such other agency that may have the
 14 authority to administer the fund.

15 (3) The number of years for which credit is to be
 16 reinstated shall be counted back from the earliest date for
 17 which the officer presently has credit for service for
 18 retirement purposes.

19 (4) The amount to be paid by the police officer shall
 20 consist of:

21 (a) the amount that he would have contributed to the
 22 fund during the period described in subsection (3), based on
 23 his salary at the time he requests reinstatement of the
 24 service; plus

25 (b) the total amount of interest that would have been

INTRODUCED BILL

1 earned from the beginning of the period described in
2 subsection (3) to the date of application, based on the
3 average rate of return from investment of the fund for the 5
4 years immediately preceding the application for
5 reinstatement.

6 (5) The member may pay the total amount in one
7 lump-sum payment or pay the amount, plus interest at the
8 rate the fund is currently earning, in installments over a
9 period not exceeding 5 years.

10 Section 3. Election to qualify military service for
11 retirement purposes. A police officer may qualify all or any
12 portion of his active service in the armed forces of the
13 United States for retirement purposes up to a maximum of 5
14 years. Only whole years of such service may be qualified. In
15 order to qualify such service, the officer must make a
16 payment to the credit of the retirement fund in the amount
17 and manner provided for in [section 2]. The officer may
18 qualify such service any time prior to his retirement.
19 Payment of the amount due must be made in full prior to
20 voluntary retirement.

21 Section 4. Computation of credit for service for
22 retirement purposes. (1) The following shall be aggregated
23 in computing credit for service for retirement purposes:

24 (a) active service as a police officer, whether or not
25 interrupted by breaks in such service, credit for which was

1 not discontinued for retirement purposes by a return of
2 contributions; and

3 (b) military service which has been qualified under
4 [section 3].

5 (2) Military service which has been qualified may not
6 be included in the minimum of 20 years of service required
7 for eligibility for retirement.

-End-

STATE OF MONTANA

REQUEST NO. 294-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 31, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 336 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 336 provides for aggregating service time separated by breaks for police retirement credit; and for reinstating retirement credit for active service by a redeposit of contributions, and for qualification of military service for retirement purposes.

ASSUMPTIONS:

1. Number of police officers who terminate their service and are reemployed are few.
2. Cost would be minimal if any state and city contributions are not refunded at termination.
3. 20% of the police officers would be eligible to purchase an average of three (3) years of service.
4. Salary increase will approximate 6% per year in FY 77, FY 78, and FY 79.
5. Cost of qualifying military service because no funding is provided in the bill is an additional contribution from the state and/or cities of 1.2% of salary.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Additional cost of proposed legislation*	<u>\$62,747</u>	<u>\$66,511</u>

*The employer cost would probably be funded by the city because of possible conflict with proposed legislation in the funds provided by the insurance tax premium.

TECHNICAL NOTE:

1. Section 1, subsection 1, conflicts with Section 11-1847 of the present retirement statute.
2. The interest rate suggested in the bill would entail possible recalculation for every estimate.

Richard L. Frey for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 4, 1977

Approved by Committee
on State Administration

SENATE BILL NO. 336

INTRODUCED BY TURNAGE, HAZELBAKER

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AGGREGATING SERVICE TIME SEPARATED BY BREAKS FOR POLICE RETIREMENT CREDIT; PROVIDING FOR REINSTATING POLICE RETIREMENT CREDIT FOR ACTIVE SERVICE BY A REDEPOSIT OF CONTRIBUTIONS; AND PROVIDING FOR QUALIFICATION OF MILITARY SERVICE FOR RETIREMENT PURPOSES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

~~Section 1. Breaks in service as a police officer -- withdrawal of contributions -- (1) If within a 12-month period there is a break in a person's employment as a police officer not exceeding 6 months, he may withdraw moneys he has contributed to the retirement funds if he elects not to withdraw contributed moneys, the active police duty preceding the break in employment shall remain credited toward his retirement.~~

~~(2) If there is a break in a person's employment as a police officer exceeding 6 months, the moneys he has contributed shall be returned to him.~~

SECTION 1. DISCONTINUED SERVICE AS A POLICE OFFICER -- WITHDRAWAL OF CONTRIBUTIONS. (1) IF A POLICE OFFICER IS DISCONTINUED FROM SERVICE FOR REASONS OTHER THAN TEMPORARY

SUSPENSION DUE TO DISCIPLINARY ACTION, DEATH, DISABILITY, OR RETIREMENT, HE MAY WITHDRAW HIS MEMBER CONTRIBUTIONS UPON FILING WRITTEN APPLICATION WITH THE BOARD.

Section 2. Reinstatement of service -- redeposit of contributions. (1) ~~If a person withdraws moneys contributed to the retirement funds either because he exercised the option to do so under subsection (1) of section 1 or because he had a break in service exceeding 6 months, he may, within 2 years after his return to his former status as a police officer, reinstate credit for service preceding the break for retirement purposes by complying with subsection (2). He may only reinstate credit for whole years of service as an active police officer for which contributions were initially made to the retirement fund and were later refunded under section 1.~~ A POLICE OFFICER MAY REINSTATE CREDITS FOR SERVICE PREVIOUSLY REFUNDED UNDER SECTION 1 BY APPLYING WITHIN 1 YEAR AFTER HIS RETURN TO HIS FORMER STATUS AS A POLICE OFFICER.

(2) In order to reinstate credit for service under subsection (1), a police officer must pay to the credit of the retirement fund an amount computed by the department of administration or such other agency that may have the authority to administer the fund.

~~(3) The number of years for which credit is to be reinstated shall be counted back from the earliest date for~~

SECOND READING

1 which the officer presently has credit for service for
 2 retirement purposes.

3 (4) The amount to be paid by the police officer shall
 4 consist of:

5 (a) the amount that he would have contributed to the
 6 fund during the period described in subsection (3) based on
 7 his salary at the time he requests reinstatement of the
 8 service; plus

9 (b) the total amount of interest that would have been
 10 earned from the beginning of the period described in
 11 subsection (3) to the date of application, based on the
 12 average rate of return from investment of the fund for the
 13 years immediately preceding the application for
 14 reinstatement.

15 (3) THE AMOUNT TO BE PAID BY THE POLICE OFFICER SHALL
 16 CONSIST OF THE AMOUNT REFUNDED PLUS THE INTEREST THAT WOULD
 17 HAVE ACCUMULATED IN THE ACCOUNT HAD THE REFUND NOT TAKEN
 18 PLACE.

19 (5)(4) The member may pay the total amount in one
 20 lump-sum payment or pay the amount, plus interest at the
 21 rate the fund is currently earning, in installments over a
 22 period not exceeding 5 years.

23 Section 3. Election to qualify military service for
 24 retirement purposes. A police officer may qualify all or
 25 any portion of his active service in the armed forces of the

1 United States for retirement purposes up to a maximum of 5
 2 years. Only whole years of such service may be qualified in
 3 order to qualify such service; the officer must make a
 4 payment to the credit of the retirement fund in the amount
 5 and manner provided for in [section 2]. The officer may
 6 qualify such service any time prior to his retirement.
 7 Payment of the amount due must be made in full prior to
 8 voluntary retirement.

9 SECTION 3. ELECTION TO QUALIFY PREVIOUS MILITARY
 10 SERVICE. (1) A MEMBER WITH 15 YEARS OR MORE OF SERVICE MAY
 11 AT ANY TIME PRIOR TO HIS RETIREMENT MAKE A WRITTEN ELECTION
 12 WITH THE BOARD TO QUALIFY ALL OR ANY PORTION OF HIS ACTIVE
 13 SERVICE IN THE ARMED FORCES OF THE UNITED STATES FOR THE
 14 PURPOSE OF CALCULATING RETIREMENT BENEFITS, UP TO A MAXIMUM
 15 OF 5 YEARS IF HE IS NOT OTHERWISE ELIGIBLE TO RECEIVE
 16 CREDIT TO QUALIFY THIS SERVICE HE MUST CONTRIBUTE TO THE
 17 ACCOUNT THE ACTUARIAL COST OF GRANTING THE SERVICE TO BE
 18 DETERMINED BY THE BOARD BASED ON HIS COMPENSATION AND NORMAL
 19 CONTRIBUTION RATE AS OF HIS 16TH YEAR AND AS MANY SUCCEEDING
 20 YEARS AS ARE REQUIRED TO QUALIFY THIS SERVICE WITH INTEREST
 21 FROM THE DATE HE BECOMES ELIGIBLE FOR THIS BENEFIT TO THE
 22 DATE HE CONTRIBUTES. HE MAY NOT QUALIFY MORE OF HIS MILITARY
 23 SERVICE THAN HE HAS SERVICE IN EXCESS OF 15 YEARS.

24 (2) IF A MEMBER HAS RETIRED FROM ACTIVE DUTY IN THE
 25 ARMED FORCES OF THE UNITED STATES WITH NORMAL SERVICE

1 RETIREMENT BENEFITS, HE MAY NOT QUALIFY HIS MILITARY SERVICE
2 UNDER SUBSECTION (1). HOWEVER, A MEMBER WHO IS SERVING OR
3 HAS SERVED IN THE MILITARY RESERVES WITH THE EXPECTATION OF
4 RECEIVING A MILITARY SERVICE PENSION MAY QUALIFY HIS ACTIVE
5 MILITARY SERVICE UNDER SUBSECTION (1) IF HIS ACTIVE DUTY IN
6 THE ARMED FORCES OF THE UNITED STATES IS NOT MORE THAN 25%
7 OF THE TOTAL OF ALL HIS YEARS OF MILITARY SERVICE, INCLUDING
8 RESERVE AND ACTIVE DUTY TIME.

9 ~~Section 4v--Computation--of--credit--for--service---for~~
10 ~~retirement--purposes--(1)--The--following--shall--be--aggregated~~
11 ~~in--computing--credit--for--service--for--retirement--purposes:~~

12 ~~(a)--active--service--as--a--police--officer--whether--or--not~~
13 ~~interrupted--by--breaks--in--such--service--credit--for--which--was~~
14 ~~not--discontinued--for--retirement--purposes--by--a--return--of~~
15 ~~contributions;--and~~

16 ~~(b)--military--service--which--has--been--qualified--under~~
17 ~~[section--3];~~

18 ~~(2)--Military--service--which--has--been--qualified--may--not~~
19 ~~be--included--in--the--minimum--of--20--years--of--service--required~~
20 ~~for--eligibility--for--retirement.~~

-End-

SENATE BILL NO. 336

INTRODUCED BY TURNAGE, HAZELBAKER

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AGGREGATING SERVICE TIME SEPARATED BY BREAKS FOR POLICE RETIREMENT CREDIT; PROVIDING FOR REINSTATING POLICE RETIREMENT CREDIT FOR ACTIVE SERVICE BY A REDEPOSIT OF CONTRIBUTIONS; AND PROVIDING FOR QUALIFICATION OF MILITARY SERVICE FOR RETIREMENT PURPOSES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

~~Section 1. Breaks in service as a police officer -- withdrawal of contributions. (1) If within a 12-month period, there is a break in a person's employment as a police officer not exceeding 6 months, he may withdraw moneys he has contributed to the retirement funds if he elects not to withdraw contributed moneys, the active police duty preceding the break in employment shall remain credited toward his retirement.~~

~~(2) If there is a break in a person's employment as a police officer exceeding 6 months, the moneys he has contributed shall be returned to him.~~

SECTION 1. DISCONTINUED SERVICE AS A POLICE OFFICER -- WITHDRAWAL OF CONTRIBUTIONS. (1) IF A POLICE OFFICER IS DISCONTINUED FROM SERVICE FOR REASONS OTHER THAN TEMPORARY

SUSPENSION DUE TO DISCIPLINARY ACTION, DEATH, DISABILITY OR RETIREMENT, HE MAY WITHDRAW HIS MEMBER CONTRIBUTIONS UPON FILING WRITTEN APPLICATION WITH THE BOARD.

Section 2. Reinstatement of service -- reposit of contributions. (1) ~~if a person withdraws moneys contributed to the retirement fund, either because he exercised the option to do so under subsection (1) of section 1 or because he had a break in service exceeding 6 months, he may, within 2 years after his return to his former status as a police officer, reinstate credit for service preceding the break for retirement purposes by complying with subsection (2). He may only reinstate credit for whole years of service as an active police officer for which contributions were initially made to the retirement fund and were later refunded under section 1.~~ A POLICE OFFICER MAY REINSTATE CREDITS FOR SERVICE PREVIOUSLY REFUNDED UNDER SECTION 1 BY APPLYING WITHIN 1 YEAR AFTER HIS RETURN TO HIS FORMER STATUS AS A POLICE OFFICER.

(2) In order to reinstate credit for service under subsection (1), a police officer must pay to the credit of the retirement fund an amount computed by the department of administration or such other agency that may have the authority to administer the fund.

~~(3) The number of years for which credit is to be reinstated shall be counted back from the earliest date for~~

1 which the officer presently has credit for service for
2 retirement purposes.

3 (4) The amount to be paid by the police officer shall
4 consist of:

5 (a) the amount that he would have contributed to the
6 fund during the period described in subsection (3), based on
7 his salary at the time he requests reinstatement of the
8 services, plus

9 (b) the total amount of interest that would have been
10 earned from the beginning of the period described in
11 subsection (3) to the date of application, based on the
12 average rate of return from investment of the fund for the
13 years immediately preceding the application for
14 reinstatement.

15 (3) THE AMOUNT TO BE PAID BY THE POLICE OFFICER SHALL
16 CONSIST OF THE AMOUNT REFUNDED PLUS THE INTEREST THAT WOULD
17 HAVE ACCUMULATED IN THE ACCOUNT HAD THE REFUND NOT TAKEN
18 PLACE.

19 (5)(4) The member may pay the total amount in one
20 lump-sum payment or pay the amount, plus interest at the
21 rate the fund is currently earning, in installments over a
22 period not exceeding 5 years.

23 section 3. Election to qualify military service for
24 retirement purposes. A police officer may qualify all or
25 any portion of his active service in the armed forces of the

1 United States for retirement purposes up to a maximum of 5
2 years. Only whole years of such service may be qualified. In
3 order to qualify such service, the officer must make a
4 payment to the credit of the retirement fund in the amount
5 and manner provided for in [section 2]. The officer may
6 qualify such service any time prior to his retirement.
7 Payment of the amount due must be made in full prior to
8 voluntary retirement.

9 SECTION 3. ELECTION TO QUALIFY PREVIOUS MILITARY
10 SERVICE. (1) A MEMBER WITH 15 YEARS OR MORE OF SERVICE MAY
11 AT ANY TIME PRIOR TO HIS RETIREMENT MAKE A WRITTEN ELECTION
12 WITH THE BOARD TO QUALIFY ALL OR ANY PORTION OF HIS ACTIVE
13 SERVICE IN THE ARMED FORCES OF THE UNITED STATES FOR THE
14 PURPOSE OF CALCULATING RETIREMENT BENEFITS, UP TO A MAXIMUM
15 OF 5 YEARS IF HE IS NOT OTHERWISE ELIGIBLE TO RECEIVE
16 CREDIT TO QUALIFY THIS SERVICE HE MUST CONTRIBUTE TO THE
17 ACCOUNT THE ACTUARIAL COST OF GRANTING THE SERVICE TO BE
18 DETERMINED BY THE BOARD BASED ON HIS COMPENSATION AND NORMAL
19 CONTRIBUTION RATE AS OF HIS 15TH YEAR AND AS MANY SUCCEEDING
20 YEARS AS ARE REQUIRED TO QUALIFY THIS SERVICE WITH INTEREST
21 FROM THE DATE HE BECOMES ELIGIBLE FOR THIS BENEFIT TO THE
22 DATE HE CONTRIBUTES. HE MAY NOT QUALIFY MORE OF HIS MILITARY
23 SERVICE THAN HE HAS SERVICE IN EXCESS OF 15 YEARS.

24 (2) IF A MEMBER HAS RETIRED FROM ACTIVE DUTY IN THE
25 ARMED FORCES OF THE UNITED STATES WITH NORMAL SERVICE

1 RETIREMENT BENEFITS, HE MAY NOT QUALIFY HIS MILITARY SERVICE
2 UNDER SUBSECTION (1). HOWEVER, A MEMBER WHO IS SERVING OR
3 HAS SERVED IN THE MILITARY RESERVES WITH THE EXPECTATION OF
4 RECEIVING A MILITARY SERVICE PENSION MAY QUALIFY HIS ACTIVE
5 MILITARY SERVICE UNDER SUBSECTION (1) IF HIS ACTIVE DUTY IN
6 THE ARMED FORCES OF THE UNITED STATES IS NOT MORE THAN 25%
7 OF THE TOTAL OF ALL HIS YEARS OF MILITARY SERVICE, INCLUDING
8 RESERVE AND ACTIVE DUTY TIME.

9 ~~Section 4*--Computation of credit for service for~~
10 ~~retirement purposes--(1)--The following shall be aggregated~~
11 ~~in computing credit for service for retirement purposes:~~

12 ~~(a)--active service as a police officer, whether or not~~
13 ~~interrupted by breaks in such service, credit for which was~~
14 ~~not discontinued for retirement purposes by a return of~~
15 ~~contributions; and~~

16 ~~(b)--military service which has been qualified under~~
17 ~~[section 3];~~

18 ~~(2)--Military service which has been qualified may not~~
19 ~~be included in the minimum of 20 years of service required~~
20 ~~for eligibility for retirement.~~

-End-

HOUSE OF REPRESENTATIVES

March 25, 1977

COMMITTEE OF THE WHOLE amendments to SENATE BILL NO. 336, as follows:

1. Amend title, lines 5 through 8.

Following: line 4

Strike: "AGGREGATING SERVICE TIME SEPARATED BY BREAKS FOR POLICE
RETIREMENT CREDIT; PROVIDING FOR REINSTATING POLICE RETIREMENT
CREDIT FOR ACTIVE SERVICE BY A REDEPOSIT OF CONTRIBUTIONS; AND
PROVIDING FOR"

2. Amend title, line 9.

Following: "FOR"

Insert: "POLICE"

AS AMENDED BE CONCURRED IN

1. Amend page 1, line 23 through page 4, line 8.

Following: line 22

Strike: sections 1 and 2 in their entirety

Renumber: subsequent section

2. Amend page 4, section 3, subsection (1), line 23.

Following: "YEARS."

Insert: "Military service purchased under this section may not be used in the determination of eligibility for a service retirement requiring a minimum of 20 years service."

AS AMENDED

BE CONCURRED IN

SENATE BILL NO. 336

INTRODUCED BY TURNAGE, HAZELBAKER

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AGGREGATING SERVICE TIME SEPARATED BY BREAKS FOR POLICE RETIREMENT CREDIT; PROVIDING FOR REINSTATING POLICE RETIREMENT CREDIT FOR ACTIVE SERVICE BY A REDEPOSIT OF CONTRIBUTIONS; AND PROVIDING FOR QUALIFICATION OF MILITARY SERVICE FOR POLICE RETIREMENT PURPOSES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1v Breaks in service as a police officer withdrawal of contributions (1) If within a 12-month period there is a break in a person's employment as a police officer not exceeding 6 months, he may withdraw moneys he has contributed to the retirement fund if he elects not to withdraw contributed moneys, the active police duty preceding the break in employment shall remain credited toward his retirement.

(2) If there is a break in a person's employment as a police officer exceeding 6 months, the moneys he has contributed shall be returned to him.

SECTION 1v DISCONTINUED SERVICE AS A POLICE OFFICER WITHDRAWAL OF CONTRIBUTIONS (1) IF A POLICE OFFICER IS DISCONTINUED FROM SERVICE FOR REASONS OTHER THAN TEMPORARY

SUSPENSION DUE TO DISCIPLINARY ACTION, DEATH, DISABILITY OR RETIREMENT, HE MAY WITHDRAW HIS MEMBER CONTRIBUTIONS UPON FILING WRITTEN APPLICATION WITH THE BOARD.

Section 2v Reinstatement of service redempt of contributions (1) If a person withdraws moneys contributed to the retirement fund either because he exercised the option to do so under subsection (1) of [section 1] or because he had a break in service exceeding 6 months, he may, within 2 years after his return to his former status as a police officer, reinstate credit for service preceding the break for retirement purposes by complying with subsection (2). He may only reinstate credit for whole years of service as an active police officer for which contributions were initially made to the retirement fund and were later refunded under [section 1]. A POLICE OFFICER MAY REINSTATE CREDITS FOR SERVICE PREVIOUSLY REFUNDED UNDER SECTION 1 BY APPLYING WITHIN 1 YEAR AFTER HIS RETURN TO HIS FORMER STATUS AS A POLICE OFFICER.

(2) In order to reinstate credit for service under subsection (1), a police officer must pay to the credit of the retirement fund an amount computed by the department or such other agency that may have the authority to administer the fund.

(3) The number of years for which credit is to be reinstated shall be counted back from the earliest date for

1 which the officer presently has credit for service for
2 retirement purposes.

3 (4) The amount to be paid by the police officer shall
4 consist of:

5 (a) the amount that he would have contributed to the
6 fund during the period described in subsection (3), based on
7 his salary at the time he requests reinstatement of the
8 service; plus

9 (b) the total amount of interest that would have been
10 earned from the beginning of the period described in
11 subsection (3) to the date of application, based on the
12 average rate of return from investment of the fund for the
13 years immediately preceding the application for
14 reinstatement.

15 ~~(3) THE AMOUNT TO BE PAID BY THE POLICE OFFICER SHALL~~
16 ~~CONSIST OF THE AMOUNT REFUNDED PLUS THE INTEREST THAT WOULD~~
17 ~~HAVE ACCUMULATED IN THE ACCOUNT HAD THE REFUND NOT TAKEN~~
18 ~~PLACED.~~

19 (5) (a) The member may pay the total amount in one
20 lump-sum payment or pay the amount plus interest at the
21 rate the fund is currently earning in installments over a
22 period not exceeding 5 years.

23 Section 3v. Election to qualify military service for
24 retirement purposes. A police officer may qualify all or
25 any portion of his active service in the armed forces of the

1 United States for retirement purposes up to a maximum of 5
2 years. Only whole years of such service may be qualified. In
3 order to qualify such service, the officer must make a
4 payment to the credit of the retirement fund in the amount
5 and manner provided for in [section 2]. The officer may
6 qualify such service any time prior to his retirement.
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8 voluntary retirement.

9 SECTION 1. ELECTION TO QUALIFY PREVIOUS MILITARY
10 SERVICE. (1) A MEMBER WITH 15 YEARS OR MORE OF SERVICE MAY
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13 SERVICE IN THE ARMED FORCES OF THE UNITED STATES FOR THE
14 PURPOSE OF CALCULATING RETIREMENT BENEFITS, UP TO A MAXIMUM
15 OF 5 YEARS IF HE IS NOT OTHERWISE ELIGIBLE TO RECEIVE
16 CREDIT TO QUALIFY THIS SERVICE HE MUST CONTRIBUTE TO THE
17 ACCOUNT THE ACTUARIAL COST OF GRANTING THE SERVICE TO BE
18 DETERMINED BY THE BOARD BASED ON HIS COMPENSATION AND NORMAL
19 CONTRIBUTION RATE AS OF HIS 16TH YEAR AND AS MANY SUCCEEDING
20 YEARS AS ARE REQUIRED TO QUALIFY THIS SERVICE WITH INTEREST
21 FROM THE DATE HE BECOMES ELIGIBLE FOR THIS BENEFIT TO THE
22 DATE HE CONTRIBUTES. HE MAY NOT QUALIFY MORE OF HIS MILITARY
23 SERVICE THAN HE HAS SERVICE IN EXCESS OF 15 YEARS. MILITARY
24 SERVICE PURCHASED UNDER THIS SECTION MAY NOT BE USED IN THE
25 DETERMINATION OF ELIGIBILITY FOR A SERVICE RETIREMENT

1 REQUIRING A MINIMUM OF 20 YEARS SERVICE.

2 (2) IF A MEMBER HAS RETIRED FROM ACTIVE DUTY IN THE
3 ARMED FORCES OF THE UNITED STATES WITH NORMAL SERVICE
4 RETIREMENT BENEFITS, HE MAY NOT QUALIFY HIS MILITARY SERVICE
5 UNDER SUBSECTION (1). HOWEVER, A MEMBER WHO IS SERVING OR
6 HAS SERVED IN THE MILITARY RESERVES WITH THE EXPECTATION OF
7 RECEIVING A MILITARY SERVICE PENSION MAY QUALIFY HIS ACTIVE
8 MILITARY SERVICE UNDER SUBSECTION (1) IF HIS ACTIVE DUTY IN
9 THE ARMED FORCES OF THE UNITED STATES IS NOT MORE THAN 25%
10 OF THE TOTAL OF ALL HIS YEARS OF MILITARY SERVICE, INCLUDING
11 RESERVE AND ACTIVE DUTY TIME.

12 ~~Section 4 - Computation of credit for service for~~
13 ~~retirement purposes - (1) The following shall be aggregated~~
14 ~~in computing credit for service for retirement purposes:~~

15 ~~(a) active service as a police officer, whether or not~~
16 ~~interrupted by breaks in such service, credit for which was~~
17 ~~not discontinued for retirement purposes by a return of~~
18 ~~contributions; and~~

19 ~~(b) military service which has been qualified under~~
20 ~~[section 3];~~

21 ~~(2) Military service which has been qualified may not~~
22 ~~be included in the minimum of 20 years of service required~~
23 ~~for eligibility for retirement;~~

-End-